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VIA ELECTRONIC FILING

Jocelyn G. Boyd, Esquire
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

RE: Application of Piedmont Natural Gas Company, Inc. For Authorization to Flow-Through Alternative Fuel Tax Credits to CNG Retail Sales Customers
Docket No. 2021-43-G

Dear Ms. Boyd,

By this letter, the South Carolina Office of Regulatory Staff (“ORS”) hereby notifies the Public Service Commission of South Carolina (“Commission”) that ORS has reviewed the request of Piedmont Natural Gas Company, Inc. (“Piedmont” or “Company”) for authorization from the Commission to flow-through alternative fuel tax credits to Compressed Natural Gas (“CNG”) Retail Sales Customers. The Company proposes to flow-through these credits beginning March 1, 2021 and for the remainder of the calendar year via a reduction in rates applicable to service under Rate Schedule 242 and certain special contract fleet fueling agreements.

Overview of Company’s Request

To encourage the use of CNG and help alleviate the excise tax, the United States Congress recently extended the tax credit for retail sales of CNG used as an alternative motor vehicle fuel from December 31, 2020 through December 31, 2021. Piedmont proposes to flow-through this tax credit to the retail customers who purchase CNG at the Company’s public CNG refueling stations through a temporary rate decrement. This temporary rate decrement would be in the amount of \$.50 per gallon of gasoline equivalent. The Company’s proposed temporary decrement is consistent with “cost causation” and allows Piedmont to allocate the credit to the customers purchasing CNG from Piedmont. Due to transaction detail limitations, retroactive flow-through of this credit to customers who purchased CNG prior to March 1, 2021 is not feasible.

ORS Recommendation

The Company's proposed temporary decrement is the same as that proposed by the Company in Docket No. 2020-66-G and approved by the Commission in Order No. 2020-180. ORS supports Piedmont's proposed temporary decrement to its CNG rates under Rate Schedule 242 and under its Commission-approved special contract fleet fueling agreements. Additionally, ORS supports the Company's request that the Commission approve the proposed effective date of this decrement of March 1, 2021.

Please do not hesitate to contact me if you have any questions.

Sincerely,

s/ Jeffrey M. Nelson

Jeffrey M. Nelson

cc: All Parties of Record (via E-mail)
David Butler, Esquire (via E-mail)